

Monthly MI Premiums and TRID



How is the Monthly MI Premium disclosed on the Loan Estimate (LE) and Closing Disclosure (CD)?

The Monthly MI Premium is disclosed in the Projected Payments table of both the LE and CD. Because MGIC's borrower-paid Monthly MI Premium plan is designed to be paid in arrears, no premium is included in the estimated closing costs or itemized closing costs on the LE or CD. The MI premium is included in the 5-year payment total of the LE Comparisons table (pg. 3) and the Total of Payments (pg. 5) of the CD.

Which tolerance applies?

TRID tolerances do not apply to MGIC's Monthly MI Premiums because the borrower pays no monthly MI premium at consummation. The disclosed premium must be based on the best available information at the time of disclosure.

What if the cost changes?

The lender is not required to provide a new LE disclosure when the cost for monthly MI premium changes; however, if the lender issues a revised LE disclosure, it must reflect the updated costs. If the lender does not issue an updated LE, then the revised cost would need to be reflected only on the CD.

See reverse for a sample Monthly MI disclosure.

For additional information, go to consumerfinance.gov/regulatory-implementation/tila-respa/ or consult your regulatory counsel.

MGIC

Sample Monthly MI disclosure

MGIC's Monthly MI Premiums must be disclosed in the Projected Payments section of the LE and CD.

In this example, the Projected Payments table includes the estimated periodic payments with and without MI:

Years 1-7 column reflects the initial monthly payments of Principal & Interest, Mortgage Insurance and Estimated Escrow. The column label reflects the years during which the payments shown in that column will apply.

Years 8-30 column reflects the monthly payments after the triggering event — automatic cancellation of the mortgage insurance in year 7 under the Homeowners Protection Act. After automatic cancellation, there is no monthly MI premium, which is indicated with a dash (—) and reflected in the lower Estimated Total Monthly Payment amount.

Note: The MI premium is also included in the 5-year payment total of the LE Comparisons table (pg. 3) and the Total of Payments (pg. 5) of the CD.

The information and illustrations provided here are for informational purposes only and do not constitute legal advice. Lenders should refer to the TILA/RESPA regulations and consult with counsel for compliance with all applicable TRID requirements.

Closing Disclosure

This form is a statement of document with your Loan

Closing Disclosure (pg. 1)

Closing Information		Transaction Information		Loan Information	
Date Issued	Oct. 5, 2015	Borrower	Michael Jones and Mary Stone	Loan Term	30 years
Closing Date	Oct. 5, 2015		123 Anywhere Street	Purpose	Purchase
Disbursement Date	Oct. 5, 2015		Anytown, ST 12345	Product	Fixed Rate
Settlement Agent	Title Co.	Seller	Steve Cole and Amy Doe	Loan Type	<input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA <input type="checkbox"/> VA <input type="checkbox"/>
File #	12-3456		321 Somewhere Drive	Loan ID #	123456789
Property	456 Somewhere Ave Anytown, ST 12345	Lender	Anytown, ST 12345	MIC #	000654321
Sale Price	\$222,222.23		Lender Bank		

Loan Estimate

Loan Estimate		Loan Terms	
DATE ISSUED	Oct. 5, 2015	LOAN TERM	30 years
APPLICANTS	Michael Jones and Mary Stone 123 Anywhere Street Anytown, ST 12345	PURPOSE	Purchase
PROPERTY	456 Somewhere Avenue Anytown, ST 12345	PRODUCT	Fixed Rate
SALE PRICE	\$222,222.23	LOAN TYPE	<input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA <input type="checkbox"/> VA <input type="checkbox"/>
		LOAN ID #	123456789
		RATE LOCK	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, until Dec. 6, 2015 at 5:00 p.m. EDT

Can this amount increase after closing?	
Loan Amount	\$200,000 NO
Interest Rate	4.125% NO
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	\$969.30 NO
Prepayment Penalty	NO
Balloon Payment	NO

Projected Payments		
Payment Calculation	Years 1-7	Years 8-30
Principal & Interest	\$969.30	\$969.30
Mortgage Insurance	+ 65	+ —
Estimated Escrow <small>Amount can increase over time</small>	+ 267	+ 267
Estimated Total Monthly Payment	\$1,301	\$1,236

Estimated Taxes, Insurance & Assessments <small>Amount can increase over time</small>	\$267 a month	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <small>See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.</small>	In escrow? YES YES
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Costs at Closing	
Estimated Closing Costs	\$7,996 Includes \$5,619 in Loan Costs + \$2,377 in Other Costs – \$0 in Lender Credits. See page 2 for details.
Estimated Cash to Close	\$25,218 Includes Closing Costs. See Calculating Cash to Close on page 2 for details.